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Agenda items 46, 118, 120, 122, 124, 128, 129 and 136

Integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic, social and related fields

United Nations reform: measures and proposals

Follow-up to the outcome of the Millennium Summit

Review of the efficiency of the administrative and financial functioning of the United Nations

Programme budget for the biennium 2006-2007

Scale of assessments for the apportionment of the expenses of the United Nations

Human resources management

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Report of the Fifth Committee

Rapporteur: Ms. Katja **Pehrman** (Finland)

I. Introduction

1. The previous recommendations made by the Fifth Committee to the General Assembly under agenda items 46, 118, 120, 122, 124, 128, 129 and 136 appear in the report of the Committee contained in document A/60/831.

2. For its consideration of the question, the Committee had before it the following documents:

(a) Report of the Secretary-General on investing in the United Nations: for a stronger Organization worldwide: detailed report (A/60/846);

(b) Report of the Secretary-General on investing in the United Nations: for a stronger Organization worldwide: detailed report: investing in information and communication technology (A/60/846/Add.1);

(c) Report of the Secretary-General on investing in the United Nations: for a stronger Organization worldwide: detailed report: budget implementation (A/60/846/Add.2);

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(d) Report of the Secretary-General on investing in the United Nations: for a stronger Organization worldwide: detailed report: financial management practices (A/60/846/Add.3);

(e) Report of the Secretary-General on investing in the United Nations: for a stronger Organization worldwide: detailed report: improving reporting mechanisms, including public access to United Nations documentation (A/60/846/Add.4);

(f) Report of the Secretary-General on investing in the United Nations: for a stronger Organization worldwide: detailed report: procurement reform (A/60/846/Add.5);

(g) Report of the Secretary-General on investing in the United Nations: for a stronger Organization worldwide: detailed report: updated terms of reference for the Independent Audit Advisory Committee (A/60/846/Add.7);

(h) Note by the Secretary-General transmitting the report of the Joint Inspection Unit on policies of the United Nations system organizations towards the use of open source software in the secretariats (A/60/665);

(i) Note by the Secretary-General transmitting his comments and those of the United Nations System Chief Executives Board for Coordination on the report of the Joint Insoection Unit on policies of the United Nations system organizations towards the use of open source software in the secretariats (A/60/665/Add.1);

(j) Reports of the Advisory Committee on Administrative and Budgetary Questions (A/60/870, A/60/903 and A/60/904).

3. The Fifth Committee resumed its consideration of the items at its 60th, 61st, 64th, 65th and 67th meetings, on 16, 19, 27 and 28 June and 7 July 2006. Statements and observations made in the course of the Committee's consideration of the question are reflected in the relevant summary records (A/C.5/60/SR.60, 61 and 64, 65 and 67).

II. Consideration of draft resolution A/C.5/60/L.67

4. At its 67th meeting, on 7 July, the Committee had before it a draft resolution entitled "Investing in the United Nations for a stronger Organization worldwide: detailed report" (A/C.5/60/L.67), which was submitted by the Chairman on the basis of informal consultations coordinated by the representative of the Islamic Republic of Iran.

5. At the same meeting, the Committee adopted draft resolution A/C.5/60/L.67 without a vote (see para. 7).

6. After the adoption of the draft resolution, statements were made by the representatives of Australia, Finland (on behalf of the European Union, the acceding countries Bulgaria and Romania, the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey, the countries of the stabilization and association process and potential candidates Albania and Serbia, as well as Ukraine and the Republic of Moldova, which aligned themselves with the statement), Japan, Canada, Cuba and Pakistan.

III. Recommendation of the Fifth Committee

7. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

Investing in the United Nations for a stronger Organization worldwide: detailed report

The General Assembly,

Recalling its resolutions 41/213 of 19 December 1986, 60/1 of 16 September 2005 and 60/260 of 8 May 2006,

Reaffirming the role of the General Assembly and its relevant intergovernmental and expert bodies, within their respective mandates, in planning, programming, budgeting, monitoring and evaluation,

Stressing the need for Member States to participate in the budget preparation process, from its early stages and throughout the process,

Having considered the report of the Secretary-General entitled "Investing in the United Nations: for a stronger Organization worldwide: detailed report"[1] and the related report of the Advisory Committee on Administrative and Budgetary Questions,[2]

1. *Renews* its appeal to Member States to demonstrate their commitment to the United Nations by, inter alia, meeting their financial obligations on time, in full and without conditions, in accordance with the Charter of the United Nations and the Financial Rules and Regulations of the United Nations;

2. *Endorses* the recommendations and conclusions of the Advisory Committee contained in its report,[2] subject to the provisions of the present resolution;

I. Oversight and accountability

1. *Requests* the Secretary-General to ensure the full operationalization of the Ethics Office, including through the expeditious filling of vacancies;

2. *Emphasizes* the need for strengthening oversight in the Organization, and stresses the importance of strengthened accountability in the Organization and of ensuring greater accountability of the Secretary-General to Member States, inter alia, for the effective and efficient implementation of legislative mandates and the use of human and financial resources;

3. *Looks forward* to considering the results of the independent external evaluation of the audit and oversight system of the United Nations, as well as other relevant reports in this regard, and to taking action on proposals contained therein on, inter alia, ensuring the full operational independence of the Office of Internal Oversight Services and strengthening the evaluation capacity of the Office at the programme and subprogramme levels, as well as any budget requirements;

[1] A/60/846 and Add.1-4.

[2] A/60/870.

4. *Recalls* section XIII, paragraph 4, of its resolution 60/248 of 23 December 2005, whereby it established the Independent Audit Advisory Committee, and looks forward to considering and taking action on its proposed terms of reference with a view to operationalizing it;

II. Information and communication technology

1. *Decides* to establish the post of Chief Information Technology Officer at the level of Assistant Secretary-General in the Office of the Secretary-General;

2. *Requests* the Secretary-General to rejustify the level and resource requirements for the post of Chief Information Technology Officer in the Office of the Secretary-General, in the context of the proposed programme budget for the biennium 2008-2009 to be considered at its sixty-second session, taking fully into account the existing staffing structure and resources dedicated to information and communication technology functions in the Organization;

3. *Also requests* the Secretary-General to provide to the General Assembly, at its resumed sixty-first session, detailed information on the structure and staffing requirements of the envisaged information and communication technology structure, as well as the lines of responsibility, the functions of the proposed structure and its relationship with other information and communication technology units in the Secretariat, offices away from Headquarters, regional commissions, peacekeeping operations, special political missions and other field offices;

4. *Decides* to replace the Integrated Management Information System with a next-generation enterprise resource planning system or other comparable system;

5. *Requests* the Secretary-General to submit to the General Assembly, at its resumed sixty-first session, the comprehensive report referred to in paragraphs 17 and 18 of his report,[3] and to respond to relevant General Assembly resolutions, including on the following matters:

(a) Substantive improvements to the information and communication technology systems that may be required, including the systems at offices away from Headquarters, the regional commissions and peacekeeping operations;

(b) A detailed implementation plan, including on the user needs, scope, timetable, strategy and detailed resource requirements and information technology needs arising from the adoption of the International Public Sector Accounting Standards;

(c) The expected contribution of the information and communication technology system to enhancing the effective and transparent use of the resources of the Organization;

(d) Any revisions required to the existing information and communication technology strategy, bearing in mind requests previously made by the General Assembly in its consideration of the 2002 information and communication technology strategy, including its resolutions 57/304 of 15 April 2003 and 56/239 of 24 December 2001;

(e) Projected resource requirements over the life cycle of the project;

[3] A/60/846/Add.1.

(f) A detailed explanation and concrete examples of how it is envisaged that the proposals will enhance the effectiveness of the work of the Organization and address current deficiencies;

(g) A clear definition of the terminologies and rationale for the proposals;

(h) An assessment of previous investments in information and communication technology, as well as lessons learned and expected time frames for introducing the proposed system and arrangements for the continuation of the current system during the transitional period;

6. *Decides* to revert to its consideration of the report of the Joint Inspection Unit on policies of United Nations system organizations towards the use of open-source software in the secretariats[4] at its resumed sixty-first session;

III. Limited budgetary discretion

1. *Recalls* its resolution 59/275 of 23 December 2004, in which it set the main priorities for the Organization for the biennium 2006-2007;

2. *Reaffirms* the role and prerogative of Member States in setting the priorities of the Organization, as reflected in legislative decisions;

3. *Reaffirms* its role in carrying out a thorough analysis and approval of human and financial resources and policies with a view to ensuring full, effective and efficient implementation of all mandated programmes and activities and the implementation of policies in this regard;

4. *Emphasizes* again that the resources proposed by the Secretary-General should be commensurate with all mandated programmes and activities in order to ensure their full, efficient and effective implementation;

5. *Recalls* paragraph 11 of its resolution 60/246 of 23 December 2005, whereby it recognized the need for limited discretion in budgetary implementation for the Secretary-General, within defined parameters to be agreed by the General Assembly along with clear accountability mechanisms to the Assembly for its use;

6. *Decides* to authorize the Secretary-General, on an experimental basis, a limited discretion for budgetary implementation for the bienniums 2006-2007 and 2008-2009, to enter into commitments up to 20 million United States dollars in each biennium for positions and non-post requirements for the purpose of meeting the evolving needs of the Organization in attaining its mandated programmes and activities;

7. *Also decides* to authorize the Secretary-General to utilize the Working Capital Fund to finance the implementation of the authorization referred to in paragraph 6 above, which shall be offset by savings identified and attained, including through the efficient use and assignment of resources, during the course of each biennium within the authorized appropriation level, as reported in the performance reports;

8. *Decides* that the authorization referred to in paragraph 6 above shall be implemented in accordance with the following principles:

[4] A/60/665.

(a) The experiment shall not be utilized for unforeseen and extraordinary expenses that are authorized in respect of the maintenance of peace and security;

(b) The experiment shall not imply any changes in the human resources management policies of the Organization;

(c) The proposed programme budget shall remain the principal instrument in which the Secretary-General sets out the resources and staffing requirements of the Organization, including the requirements for all reform proposals as agreed by Member States;

(d) The experiment shall in no way prevent the Secretary-General from requesting additional posts during the course of the experiment;

(e) The experiment shall not be implemented in pursuance of General Assembly resolutions calling for the implementation of decisions "within existing resources";

(f) The experiment shall not imply any changes to the provisions guiding the use of the contingency fund;

(g) The utilization of authorization shall be exercised with the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions when the total amount utilized exceeds 6 million dollars per biennium;

(h) The experiment shall not alter the main priorities of the Organization as agreed by the General Assembly;

(i) The utilization of the funds provided for under the experiment shall be subject to the Financial Regulations and Rules of the United Nations;

9. *Requests* the Secretary-General to report to the General Assembly, through the Advisory Committee, in the context of the performance reports, on the utilization of all commitments made within the context of the experiment, together with the circumstances relating thereto, as well as the impact on programme delivery and the ability to meet the evolving needs of the Organization;

10. *Decides* to review the experiment at its sixty-fourth session with a view to taking a final decision on its continuation, and requests the Secretary-General to submit a comprehensive report for its consideration on the implementation of the experiment, including the following aspects:

(a) The utilization of the experiment during the course of the two bienniums;

(b) Implications, if any, for the human resources management policies and the Financial Regulations and Rules;

(c) The impact on programme delivery, as well as on the priorities of the Organization as set by Member States;

(d) The criteria used by the Secretary-General to define the evolving needs of the Organization;

11. *Recalls* paragraph 14 of its resolution 58/270 of 23 December 2003 and paragraph 7 of its resolution 60/246, decides that the experiment will not be extended beyond the current biennium, and requests the Secretary-General to report thereon to the General Assembly at its sixty-second session on the results of this

experiment as well as lessons learned that can be applied to the experiment referred to in paragraph 6 above;

12. *Requests* the Secretary-General to expeditiously implement paragraph 8 of its resolution 60/246 and to report thereon in the context of the first performance report;

13. *Recalls* its request to the Secretary-General to specifically define accountability as well as clear accountability mechanisms, including to the General Assembly, and to propose clear parameters for their application and the instruments for their rigorous enforcement, without exception, at all levels;

14. *Recognizes* that it will consider the related report of the Secretary-General referred to in paragraph 13 above at its sixty-first session with a view to taking decisions to strengthen accountability in the Organization;

IV. Financial management practices

International Public Sector Accounting Standards

1. *Decides* to approve the adoption by the United Nations of the International Public Sector Accounting Standards;

2. *Approves* the requested resources to permit the Secretary-General to begin implementation of the Standards, bearing in mind paragraph 42 of the report of the Advisory Committee;[2]

Working Capital Fund

3. *Recalls* its resolution 60/250 of 23 December 2005;

4. *Resolves* that the Working Capital Fund for the biennium 2006-2007 shall be increased to 150 million dollars effective from 1 January 2007;

5. *Also resolves* that Member States shall make advances to the Working Capital Fund in accordance with the scale of assessments to be adopted by the General Assembly for contributions to the regular budget for the year 2007;

6. *Further resolves* that there shall be set off against these advances:

(a) The surplus balance of the programme budget for the biennium 2004-2005;

(b) Cash advances paid by Member States to the Working Capital Fund for the biennium 2006-2007 in accordance with General Assembly resolution 60/250;

V. Improving reporting mechanisms: public access to United Nations documentation

Comprehensive annual report

1. *Emphasizes* the importance of providing the information necessary to enable Member States to make well-informed decisions;

2. *Reaffirms* that all reports pertaining to administrative and budgetary matters are subject to the consideration of the Fifth Committee as the appropriate

Main Committee of the General Assembly entrusted with responsibilities for those matters;

3. *Takes note* of the intention of the Secretary-General to prepare a single comprehensive annual report containing both financial and programme information, aiming at enhancing the transparency of the Organization and the accountability of the Secretariat to Member States;

4. *Emphasizes* that the report would be developed in the context of paragraphs 68 and 69 of the report of the Advisory Committee,[2] bearing in mind paragraph 2 above;

5. *Also emphasizes* that the report would be complementary in nature and would not replace the report of the Secretary-General on the work of the Organization required under Article 98 of the Charter as well as reports that are subject to the consideration of the Fifth Committee;

Public access

6. *Notes* the proposal of the Secretary-General on the policy for access to United Nations documentation by Member States and the public and also the observations of the Advisory Committee thereon, and requests the Secretary-General to submit to the General Assembly at its sixty-first session, for consideration and action, a comprehensive report containing detailed parameters of the above proposal, including information on resource requirements, financing mechanisms and the possibility of a fee structure, and also addressing the implementation of the existing mandates governing the issue of facilitating the access of Member States and the public to United Nations documentation and information materials, as contained in relevant General Assembly resolutions.

VI. Procurement

Authorizes the Secretary-General to enter into commitments of up to 706,600 dollars to strengthen the United Nations procurement system, including by enhancing internal controls and developing business seminar programmes for vendors in developing countries, pending consideration and action by the General Assembly at its sixty-first session of the report of the Secretary-General[5] on procurement reform.

VII. Future consideration of management reform

1. *Decides* to defer its consideration of the following proposals contained in the addendum on financial management practices to the above-mentioned detailed report of the Secretary-General:[6]

(a) Consolidation of peacekeeping accounts and increases in the peacekeeping reserve fund and commitment authority for peacekeeping operations (subparagraphs 112 (b) to (l)) to the second part of its resumed sixty-first session;

(b) Establishment of a reserve fund (subparagraphs 112 (p) and (q)) within the context of the 2008-2009 regular budget;

[5] A/60/846/Add.5.

[6] A/60/846/Add.3.

2. *Looks forward* to considering proposals at its sixty-first session on:

(a) Governance, oversight and accountability;

(b) Human resources management;

(c) Procurement;

(d) Administration of justice;

3. *Reaffirms* its intention to continue the consideration of measures to fulfil the commitments made by Heads of State and Government in the 2005 World Summit Outcome[7] to strengthen the United Nations by ensuring the efficient and effective functioning of the Organization and a culture of accountability, transparency and integrity in the Secretariat;

4. *Pledges* to provide the United Nations with adequate resources, on a timely basis, to enable the Organization to implement its mandates and achieve its objectives, having regard to the priorities agreed by the General Assembly and the need to respect budget discipline.

VIII. Appropriation

1. *Approves* an additional appropriation under the regular budget in the amount of 4,433,100 dollars, broken down as follows:

(In United States dollars)

Section	*Amount*
Section 1. Overall policymaking, direction and coordination	145 600
Section 28A. Office of the Under-Secretary-General for Management	1 860 000
Section 28B. Office of Programme Planning, Budget and Accounts	1 428 900
Section 28D. Office of Central Support Services	574 600
Section 30. Jointly financed administrative activities	424 000
Total	**4 433 100**

2. *Also approves* an additional appropriation in the amount of 127,300 dollars under section 35, Staff assessment, to be offset by an equivalent amount of income under income section 1, Income from staff assessment.

[7] See resolution 60/1.